



Press Release

CAE awarded C\$90 million contract by Lockheed Martin for Canada's CC-130J aircraft maintenance technician training

Montreal, May 17, 2010 – (NYSE: CAE; TSX: CAE) – CAE today announced that Lockheed Martin has awarded the company a contract valued at approximately C\$90 million for a comprehensive CC-130J aircraft maintenance technician training solution for the Government of Canada.

The contract announced today was awarded under the program called the CC-130J In-Service Support (ISS) for Canada's new fleet of 17 CC-130J Hercules transport aircraft. This is the second major CC-130J contract awarded to CAE, following the contract award last year directly from the Government of Canada for a comprehensive CC-130J aircrew training solution under the program called the Operational Training Systems Provider (OTSP).

The CC-130J maintenance training system developed by CAE will have a range of advanced features and capabilities, including:

- It will be the first fully integrated training system for aircraft maintenance technicians that includes a Canadian Air Force common training management information system, courseware that complies with the Sharable Content Object Reference Model (SCORM) to ensure reusability, and a comprehensive mix of virtual and hardware-based training devices.
- The graduates will be qualified to 100 percent performance-of-maintenance (POM) criteria, meaning there will be no need to access an operational aircraft to obtain their certification.
- The maintenance training curriculum will cover approximately 400 training tasks with troubleshooting scenarios that reproduce up to 1,000 malfunctions.
- Interactive schematics and 3D models will be shared and reused between the courseware and virtual maintenance trainers, as well as provide connectivity to the technical maintenance manuals.

"We are honored to be selected for the overall design, production, and long-term support of a CC-130J aircraft maintenance technician training capability that, combined with the CC-130J aircrew training solution we are developing, will play a key role in helping prepare our Canadian Forces to fly, maintain, and support Canada's new fleet of Super Hercules aircraft," said Martin Gagné, CAE's Group President, Military Products, Training and Services. "This collaborative program with Lockheed Martin here in Canada is a model for the international defence market in demonstrating the benefits and efficiencies that a training systems integrator such as CAE can deliver."

This contract for CC-130J aircraft maintenance technician training systems and services is divided into two phases. First, during the acquisition phase over the next three years, CAE will design and manufacture a CC-130J maintenance training suite that includes two CC-130J fuselage systems and servicing training devices, one CC-130J integrated cockpit systems training device, CAE Simfinity laptop and desktop-based virtual maintenance trainers, courseware, and fit-out of the schoolhouse. In addition, CAE will be leveraging technologies and capabilities such as the training management information system, instructor operating stations, and common simulation models across both the CC-130J aircrew and maintenance training programs.

Following delivery of the CC-130J aircraft maintenance technician training suite in 2013, the second phase of the contract will involve CAE managing the in-service support for the CC-130J aircraft maintenance technician training program at Canadian Forces Base Trenton until

mid-2016. During the in-service support phase, CAE will be responsible for providing a range of training support services, including schoolhouse support staff, training device spares, upgrades and maintenance, hardware and software engineering, courseware updates, and obsolescence management.

As part of the CC-130J aircraft maintenance technician training program, CAE leads a pan-Canadian team of simulation and training specialists based in Canada. Companies from across Canada, including small businesses, will support CAE on the CC-130J aircraft maintenance technician training program. The project will create and sustain approximately 70 jobs during the acquisition phase and over 20 permanent jobs once maintenance training begins in Trenton.

CAE is a world leader in providing simulation and modelling technologies and integrated training solutions for the civil aviation industry and defence forces around the globe. With annual revenues exceeding C\$1.6 billion, CAE employs more than 7,000 people at more than 100 sites and training locations in more than 20 countries. We have the largest installed base of civil and military full-flight simulators and training devices. Through our global network of 29 civil aviation and military training centres, we train more than 75,000 crewmembers yearly. We also offer modelling and simulation software to various market segments and, through CAE's professional services division, we assist customers with a wide range of simulation-based needs. www.cae.com

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